

The Monthly Minute

with State Senator John Pappageorge

P.O. Box 30036 Lansing, MI 48909 Toll Free 1-877-SEN13th (736-1384)
www.senate.mi.gov/pappageorge (website and e-mail)



2008-09 Fiscal Year Budget Update

Dear Friend:

I am pleased to report that significant progress has been made on the Fiscal Year 2008-09 state budget. Thus far, all of the budget bills have been acted on by both chambers, and the Senate remains committed to passing a balanced budget by June 30th.

The May Revenue Estimating Conference made clear that had the Governor's budget proposal passed, the state would be \$380.4 million in the hole. Hence, adjustments were necessary in order to pass a balanced budget. While the Senate has acted responsibly by only approving expenditures that meet expected revenue estimates, the House has passed proposals that far exceed the revised May revenue numbers. Even with the revised estimates in hand, the House still managed to pass a budget that is \$225 million more than what the state is expected to bring in.

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Obviously, this begs the question, "where will this money come from?" Thus far, the House has not discussed any proposal to raise taxes or fees to make up the difference. Furthermore, the governor has promised not to raise your taxes again. With no plan laid out for how to actually fund their budget proposals, I am left wondering whether the House budgets represent realistic goals or simply wishful thinking.

**Pappageorge
Bill will Help
Revitalize
Downtowns**

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For example, in the School Aid Budget, the House passed a version that was \$32.2 million greater than estimated revenues. By funding a myriad of new programs and offering millions of dollars in increases for existing ones, the House is proposing to fund programs at a rate the state simply cannot afford. The Senate refused concurrence with the House proposal and the bill was sent to a conference committee where the differences will be worked out.

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The House also drastically over-funded the Department of Community Health budget. The House passed a general fund budget that was \$19.5 million greater than the Senate's version, and over \$15.5 million higher than the governor's recommendation.

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While the House continues to pass budgets that we can't afford, I am working hard to pass a resolution that will prevent government from promising away dollars that it doesn't have. I discussed Senate Joint Resolution (SJR) E in detail in my July 2007 newsletter, which can be found [here](#). Now, more than ever, the state needs a mechanism to prevent mid-year budget cuts and restore a positive cash flow to the state. The time is ripe, and I am hopeful

Flag Day

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that this resolution will be voted on in the very near future.

I will continue to keep you abreast of the budget as well as SJR E in my future newsletters.

Sincerely,

John Pappageorge



Senate Republicans Introduce Road Reform Package

Senate Republicans have introduced a package of bills designed to reduce the cost and improve the quality of road repairs throughout Michigan.

Senate Bill 1319, co-sponsored by Senator John Pappageorge, lowers the competitive bidding threshold on state road projects from \$100,000 to \$50,000. Such bidding allows the state to obtain services at a competitive, market-based price.

The package would grant the Department of Treasury additional audit authority over the use of Michigan Transportation Fund money by county road commissions and municipalities. It also transfers all municipal road jurisdiction to home counties for all cities and vil-



lages that received less than \$250,000 in MTF funding per fiscal year; and modifies the state's cost allocation methodology so that transportation funds collected reflect the actual costs of collection.

In addition, SB 1320, sponsored by Sen. Pappageorge, requires pre-qualified private sector entities to contract with the Michigan Department of Transportation to repair and maintain roads. This will ensure that only qualified contractors are hired to complete the work.

Additional measures in the package would:

- ◆ Create public transit cost-efficiency and performance standards;
- ◆ Require a competitive bidding process that allows private operators to compete for existing and new public transit passenger services;
- ◆ Create a Road Jurisdiction Task Force; and
- ◆ Require the auditor general to conduct and approve a cost allocation methodology based on actual collections costs.

Senate Bills 1316 through 1324 have been referred to the Senate Committee on Transportation for consideration.

Pappageorge Bill Will Help Revitalize Downtowns

The Michigan Senate recently approved legislation providing additional tools in the redevelopment of the state's downtowns.

Senate Bill 975 modifies the state's Neighborhood Enterprise Zone Act to extend its benefits to apartments, condos and other residential structures in downtown areas. Senate Bills 974, 978 and 980 would provide tools to help attract both businesses and people to downtowns, in turn helping the community's economy as a whole.

Senate Bill 980, sponsored by Senator Pappageorge, would expand the ability of local governments to exempt personal property from taxation to encourage redevelopment of rundown parcels. Distressed parcels are most often lo-

cated in downtowns, are vacant or functionally obsolete, and zoned for mixed use.

Other measures in the bipartisan package would:

- ◆ Allow Downtown Development Authorities (DDAs) to operate retail business incubators;
- ◆ Create a retail Renaissance Zone category to stimulate development of rundown portions of downtowns;
- ◆ Allow DDAs to create and operate a loan fund to help building owners make improvements to existing buildings;
- ◆ Require the Natural Re-

sources Trust Fund board to give additional consideration to trails that intersect downtowns when determining funding priorities; and

- ◆ Reactivate the Commercial Redevelopment Act in the downtowns of cities and villages, providing tools for offering tax abatements for knowledge-based businesses.

SBs 974, 975, 978 and 980 are part of the Senate's downtown redevelopment package, a 10-bill plan developed after several months of hearings throughout the state. The measures now advance to the House of Representatives for consideration.

Local Happenings with Senator Pappageorge



May 15th— Celebrate Birmingham Parade

Sen. Pappageorge and his staff had the honor of participating in the City of Birmingham's annual "Celebrate Birmingham" parade. The senator and his staff had the opportunity to meet and speak with residents of Birmingham while celebrating a city tradition.

May 15th—Troy Police Department Memorial Day Ceremony

District Representative, Corinne Khederian, attended the Troy Police Department's Memorial Service honoring their fallen comrades. A Police Award Ceremony followed at St. Nicholas Hall in Troy to honor the police officers, employees and Troy citizens for their valor and outstanding contributions they have made to the City of Troy.



May 19th—Sen. Pappageorge Visits Birmingham Covington School

Sen. Pappageorge spoke with Mrs. Roberts' 5th/6th grade class at



Birmingham Covington School about his position and his responsibilities as State Senator.

The senator stressed the importance of responsibility, accountability and integrity to the students as characteristics they should strive for not only in their

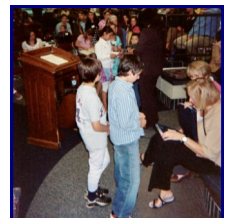


future careers, but in all aspects of their lives.

May 20th—Berkley Youth Recognition Celebration

District Representative, Corinne Khederian, attended the Berkley Youth Recognition Celebration that took place at the Berkley High School.

Students were presented certificates for their special contributions to the City of Berkley.



May 22nd-Sen. Pappageorge Hosts 20j Forum



Sen. Pappageorge, along with officials from Oakland Schools, hosted a forum to discuss 20j funding for "hold-harmless" school districts. The forum was held as an educational opportunity to learn the history of 20j funding, offer

a legislative update, and answer questions from attendees.



Certificate Requests

Do you know someone special who deserves to be recognized for an achievement? My office provides certificates of recognition to outstanding constituents for their accomplishments. You may nominate an individual by visiting my website at www.SenatorJohnPappageorge.com and clicking on "Request a congratulatory certificate for someone."

Please note: they must reside within the 13th District, including the cities of : Berkley, Birmingham, Bloomfield Hills, Clawson, Madison Heights, Royal Oak and Troy as well as Bloomfield Township.

Some examples of qualifying occasions include:

- ◆ Milestone Anniversaries
- ◆ Milestone Birthdays
- ◆ Excellent Volunteerism
- ◆ Earned the rank of Eagle Scout
- ◆ Significant Achievement in Sports, Academics or Professional Life



FLAG DAY

June 14, 2008



Did you know that you can own a flag that was flown over the state's Capitol? A State of Michigan flag can be purchased for \$29.50 and a United States flag can be purchased for \$16.00. Contact my office for details.



Questions or Comments?

If you have any questions or comments regarding information in this newsletter, or wish to be removed from or added to the mailing list, please contact my office at the following information:

State Senator John Pappageorge • P.O. Box 30036 Lansing, MI 48909

1-877-SEN-13TH (736-1384) (toll-free) • 517-373-5669 (fax)

www.SenatorJohnPappageorge.com
(website and e-mail form)